

STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

Docket No. 2003-648

November 10, 2003

PUBLIC UTILITIES COMMISSION  
Standards for Billing, Credit and Collection,  
Termination of Service, and Customer Information  
for Eligible, Non-Eligible, and Interexchange  
Telecommunications Carriers (Chapters 290, 291  
and 292)

ORDER

WELCH, Chairman; DIAMOND and REISHUS, Commissioners

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**I. SUMMARY**

In this Order, we grant Verizon's request for waivers of the billing format provisions of Chapters 290 and 292. This waiver is contingent upon Verizon implementing its "Vision" bill format in Maine prior to May 1, 2004. If Verizon fails to implement its Vision bill by May 1, 2004, it may be found in violation of the Commission's rules and subject to penalty.

**II. BACKGROUND**

On December 24, 2002, Verizon filed a Petition for Waiver of Chapter 290 and 292 of the Commission's Rules as they relate to the format of Verizon's customer bills. Prior to the filing of the petition, Verizon and Commission Staff had conducted lengthy discussions of the bill format issues. These discussions began during the summer of 2002 and included two face-to-face meetings with Commissioners, Staff, and Verizon and numerous conference calls with staff and Verizon personnel. On February 14, 2003, we issued a decision denying Verizon's request for waiver on the grounds that its draft bill did not comply with the Federal Communication Commission's (FCC) Truth-in-Billing rules,<sup>1</sup> which are specifically incorporated in our rules and thus part of the requirements for compliance with Chapter 290.<sup>2</sup> We identified two specific areas of concern: (1) the bill was confusing and did not allow a customer to readily identify the type or cost of service being provided; and (2) several surcharges and credits were misplaced on the bill. We directed Verizon to meet with Staff as soon as possible to make the necessary changes to bring the bill into compliance with our rules.

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<sup>1</sup>47 C.F.R. §§ 64.2400 – 2401.

<sup>2</sup>Chapter 290 § 12 (F) and Chapter 292 § 10(B).

On March 26, 2003, Verizon submitted a second proposed bill for our consideration. On April 15th, we deliberated the new bill but did not reach a final decision. We first found that the new bill addressed, with a few minor exceptions (which were later corrected), our concerns relating to surcharges and credits. Verizon's new bill did not, however, completely satisfy our concerns relating to customer confusion and bill organization.<sup>3</sup> Specifically, the bill continued to intermingle toll charges under two different headings that were intended to reflect usage-based calls and non-basic recurring charges. The bill continued to use headings such as "Verizon Calls" which did not give the reader any indication of the type of service being depicted.

Rather than deny Verizon's waiver during the April 15th deliberative session, Commissioner Diamond proposed several changes which, if made, would satisfy his concerns. He specifically proposed that Verizon either: (1) add an additional summary page which included three categories entitled "Basic," "Toll," and "Optional" and which would show the total charges (including all surcharges and taxes) associated with the three categories of service; or (2) add a subcategory under its Non-Basic summary on the last page of the bill which would depict the total charges associated with toll service. We directed Verizon to consider the proposal and to consult with Staff concerning the feasibility of the changes.

On April 18th, Staff and Verizon participated in a conference call. Verizon informed Staff that it would be unable to make the changes proposed by Commissioner Diamond without spending considerable time and money to reprogram its computers. Verizon indicated that it was unwilling to spend the resources to comply with the Rules because it believed that it was already in compliance with the Rules.

On April 29, 2003, Commissioner Diamond requested that Staff inquire as to whether Verizon would be able to make the following changes: (1) change the ITEMIZED CALLS heading to LONG DISTANCE CALLS (or some very similar equivalent); (2) move the marginal statement concerning recurring charges and the average rate per minute to the bottom of the section and/or increase the font size of the note; and (3) capitalize the Pay Per Use Services heading. Staff discussed the matter with Verizon and was informed that it might be possible to change the names of the subheadings as well as the font of the marginal note, but that it would not be possible (without incurring substantial expense) to move the note.

On May 7, 2003, we found that Verizon had not demonstrated "good cause" for its waiver request and denied the request. This ruling was based on our finding that Verizon's bill continued to be confusing and that customers were unable to readily determine the amounts they were paying for different types of services.<sup>4</sup> In the May Order, we directed Verizon to bring its bill into compliance with our Rules or risk being found in violation of the rules. As guidance for what actions Verizon might take to meet the requirements of our Rules, we suggested the following alternatives:

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<sup>3</sup>Chairman Welch believed the bill did address the customer confusion and organization issues.

<sup>4</sup>Chairman Welch believed Verizon had demonstrated "good cause" for the waiver and dissented on this decision.

- (1) The surest way to compliance would be for Verizon to reorganize its bill completely such that there are three distinct sections (basic, toll, and optional) and within each section all charges, surcharges, and taxes are itemized and totaled;
- (2) A second means of compliance would involve creation of a new section of the bill which would provide a summary of the totals for basic, toll and optional services;
- (3) A third means of compliance would require Verizon to create a sub-category under the Non-Basic line on its summary page which would break out the subtotal for all charges associated with toll services; and
- (4) A fourth approach to compliance would require Verizon to: (a) change the ITEMIZED CALLS heading to LONG DISTANCE CALLS (or some very similar equivalent); (b) increase the font size of the marginal note; and (c) increase the font size and capitalize the Pay Per Use Services heading to make it clear that these items are separate from the long distance calls.

We also directed Verizon to file a plan explaining how it intended to comply with the Order no later than May 31, 2003.

On June 27, 2003, Verizon met with Staff and Commissioners Diamond and Welch to discuss Verizon's "Vision Bill" and why Verizon believed its new bill format would comply with the directives of the May 7 Order. Verizon claimed the new bill would:

- Distinguish "Basic" from "Non-Basic" charges;
- Separate and display total toll charges from all other "Non-Basic" charges;
- Display the monthly recurring charge for toll calling plans in the same location as the total usage for the plan; and
- Suppress the section that identifies the "Basic" and "Non-Basic" charges for customers that subscribe to package offerings that combine local service with toll service for one single charge, thereby alleviating the potential for confusion.

On August 13, 2003, Verizon provided the Commission with two prototypes of the new bill. Verizon claimed in a cover letter accompanying the bill prototypes that the new bill format would satisfy alternative number 3 on page 4 of the May 7<sup>th</sup> Commission Order.

In a deliberative session held on September 15, 2003, the Commission agreed that changes implemented by Verizon in its new "Vision Bill," i.e., the inclusion of the separate subheading in the "For Your Information" section of the bill that separated toll from all other non-basic charges under the heading "Non-Basic Charges," complied with alternative number 3 of the Commission's Order. Commissioner Diamond, however,

questioned the terminology used to describe the “toll” charge sub-heading. Specifically, Commission Diamond found the phrase “Non-Basic Charges includes toll, regional toll, and long distance...” to be confusing. Commission Diamond stated that most customers in Maine are familiar with the terms “instate toll” and “out-of-state toll” and asked Verizon if it could use these terms in place of “regional toll” and “long distance.”<sup>5</sup>

In a letter dated October 1, 2003, Verizon responded to Commission Diamond’s request by stating that while the request was “technically feasible,” Verizon did not support changing the terminology used to describe intraLATA toll and interLATA toll from “regional toll” and “long distance” to “instate toll” and “out-of-state toll.” Verizon further stated that it has expended significant resources educating both its customers and its service representatives regarding the terms “regional toll” and “long distance” and these are the terms used in all its customer communications. Verizon offered to define the terms “regional” and “long distance” toll in the “For Your Information” section of its bills.

### III. DECISION

With the changes Verizon plans to make to its bill as part of its “Vision Bill” project, as well as the inclusion of definitions for “regional toll” and “long distance toll” in the “For Your Information” section of its bills, we find that Verizon has demonstrated “good cause” for its waiver request. We are concerned, however, that the implementation of the new “Vision Bill” in Maine has been postponed from this fall to at the earliest sometime next spring.<sup>6</sup> Chapter 290 and 292 became effective last January and Verizon’s bills have, and continue to be, in violation of those rules. We have exerted significant time and resources assisting Verizon with bringing its bills into compliance with our Rules and are unwilling to accept further delays with the implementation of Verizon’s revised bill in Maine. We therefore provide Verizon until May 1, 2004, to implement its revised “Vision Bill” in Maine. If Verizon fails to make the necessary changes to its bills by May 1, 2004, the bills will be in violation our Rules and the Commission will consider the assessment of administrative penalties.

### IV. ORDER

For the reasons explained above, we conditionally grant Verizon’s Petition for Waiver and Order Verizon to implement its “Vision Bill” in Maine by May 1, 2004.

### ORDERED

Dated at Augusta, Maine, this 10<sup>th</sup> day of November, 2003.

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<sup>5</sup> Commission Diamond also questioned how the term “toll” used in this phrase was different than the terms “regional toll” and “long distance.” Verizon responded that the term “toll” was a typographical error and that only the terms “regional toll” and “long distance” should have appeared on the two “Vision Bill” prototypes.

<sup>6</sup> Verizon informed Commissioner Diamond in a telephone conversation on October 31, 2003, that the implementation of the new “Vision Bill” had been postponed until April of 2004 at the earliest.

BY ORDER OF THE COMMISSION

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Dennis L. Keschl  
Administrative Director

COMMISSIONERS VOTING FOR: Welch  
Diamond  
Reishus

## NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 21 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.